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STATE CAPITOL  
PHOENIX, ARIZONA

February 8, 1972

DEPARTMENT OF LAW OPINION NO. 72-7 (R-28)

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REQUESTED BY: ARLO WOOLERY  
Director, Arizona State  
Department of Property Valuation

QUESTION: Is a mobile home that is owned by an individual on January 1 and then is either traded or sold to a dealer one month later still liable for ad valorem tax, or will this be part of the dealer's inventory?

ANSWER: See body of opinion.

The statutory authority setting forth the procedure for the assessment and levy of ad valorem taxes on mobile homes is set forth in A.R.S. § 42-642.A, as follows:

"A. Each mobile home shall be subject to ad valorem property tax to be assessed and collected in the same manner and at the same time as other personal property. . . ."

Under Arizona law, personal property may be assessed as either secured or unsecured personal property. If a person owning a mobile home in a certain county also owns real estate in the same county with a value of over \$200.00, the mobile home should be assessed as secured personal property. If the person owns real estate having a value under \$200.00, the mobile home should be assessed as unsecured personal property. A.R.S. § 42-601.

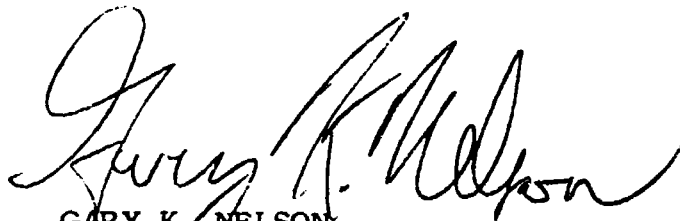
If a mobile home is assessed as secured personal property, a lien for ad valorem taxes attaches on the first Monday of January each year. A.R.S. § 42-312. If the mobile home referred to in the question is assessed as secured personal property, the mobile home would be subject to a lien for the taxes before it would be sold or traded to a dealer.

In that case, the original owner would not be personally liable for the taxes. However, if the taxes assessed against the mobile home are not paid, the lien could be enforced against both his real property and against the mobile home, regardless of who the new owner may be. Maricopa County v. Trustees of Lodge No. 2, F. & A. M., 52 Ariz. 329, 80 P.2d 955 (1938).

If a mobile home is assessed as unsecured personal property, the lien does not attach until the amount of the tax is ascertained and assessed. Packard Contracting Co. v. Roberts, 70 Ariz. 411, 415, 222 P.2d 791 (1950). Under the provisions of Title 42, Chapter 3, Article 1, Arizona Revised Statutes, unsecured property may be valued and assessed in any of the 12 months of the year. Unlike secured personal property, the owner of unsecured personal property is personally liable for the tax. A.R.S. § 42-616.

In this case, whether the owner of the mobile home in the question would be liable for the tax would depend on whether the tax has been ascertained and assessed prior to the conveyance to the dealer. If it has, not only would he be liable for the tax, but the tax could also be enforced against the mobile home, regardless of who the new owner may be. However, if the tax has not been ascertained and assessed prior to conveyance to the dealer, the mobile home would be exempt as part of the dealer's inventory under the provisions of Article 9, Section 2 of the Arizona Constitution, so long as the dealer complied with the provisions of Title 42, Chapter 2, Article 3, Arizona Revised Statutes.

Respectfully submitted,

  
GARY K. NELSON  
The Attorney General